



Realigning the links of the disconnected supply chain

Study into how manufacturers and distributors
need to rethink and realign their supply chain
to engineer a bounce-back



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Say Yes to Next

Executive Summary

Manufacturers and distributors have operated in a state of 'consistent chaos' for a number of years. From Brexit, to trade wars and exaggerated by the global pandemic, many looked at implementing interim measures to mitigate the ripple effects of ongoing disruptions while they looked at the best-fit plans for the future.

For some, solutions involved the investment in collaborative tools to respond to remote needs, investment in the Internet of Things (IoT) for real time tracking or monitoring and even diversified business models through the investment into eCommerce solutions for new routes to market. Many started looking at business systems to fulfill functional requirements and to be a catalyst for digital transformation.

Digital roadmaps were considered as part of the process – with the main aim to boost cost efficiencies. Some businesses opted to outsource external vendors to implement those strategies, but many of those consultants had little knowledge of the real-industry challenges that face the industry on an ongoing basis. In other cases, a skills deficit and lack of top management support acted as barriers to the digital transformation journey.

For those companies that found interim solutions to the immediate impact of the pandemic, cost efficiency has been a focus point of these efforts – but there is a clear gap.

While the biggest area of impact for 70% of businesses was supply chain disruptions and 60% of businesses were unable to engage with customers or suppliers, it appears digital transformation strategies for the next twelve months have been focused predominantly on the optimization of internally focused, particularly operational efficiencies. In contrast, only half of those businesses have prioritized the improvement of customer service.

The reality is that without real-time collaboration with suppliers and customers, long-term revenue growth has been compromised. While the improvement of internal operational efficiencies is vital for any business, the question is whether the knock-on effect of supply chain disruptions will inhibit long term growth - where supply chains cannot compete with supply chains.

Manufacturers and distributors are now asking: 'How can I future-proof my operations against the disruptions of today, to bounce-back and thrive tomorrow.'

To help answer that question, SYSPRO has conducted a research survey amongst top tier manufacturers and distributors with the aim to guide the industry in building supply chain resilience and securing their digital future.

- Paulo de Matos , Chief Product Officer, SYSPRO





The four key trends we will be exploring in this report:

01

The disconnect between the investment in internal efficiencies and external collaboration



02

Digital strategies do not align to execution



03

Supply chains don't compete on a global level



04

The customer needs to be at the centre of the supply chain, not at the end

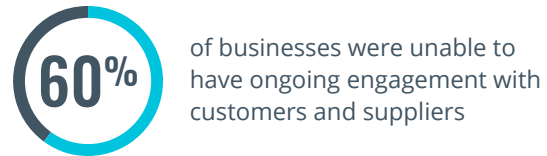


01

Is there a disconnect in the investment in internal efficiencies vs. external collaboration?

Unpacking the biggest areas of disruption

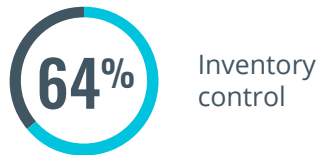
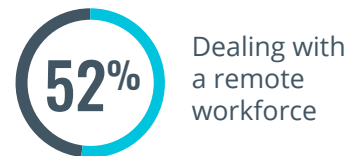
Concurrent global lockdowns and ongoing disruptions have been the driving force behind ensuing pressures around demand planning and inventory availability. It therefore comes as no surprise, that the biggest areas of impact over the past few years for businesses include:



Some experts have blamed Just-In-Time (JIT) methodologies for the ongoing supply chain disruptions or low inventory levels to suit demand. However, there's nothing in the lean and JIT methodologies that recommend keeping a bare minimum of parts on hand. It rather advocates strategic stockholding at key areas along the whole supply chain.

Instead, accountability could be placed on the available business systems and processes that manufacturers and distributors have historically relied on.

What did business systems support during the pandemic?

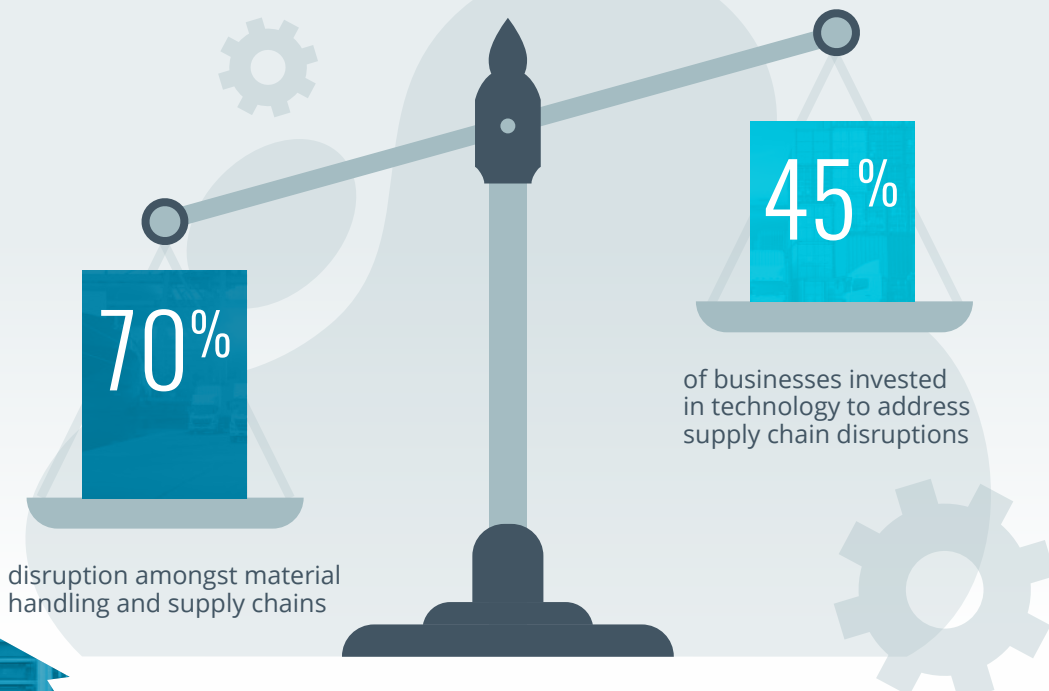


The Disconnect

In response to ongoing disruptions, more businesses have focused on the improvement of internal efficiencies instead of addressing the immediate areas of impact



Imbalance between supply chain challenges and the investment in technology to support challenges



“ While improving internal efficiencies is vital for any business, disregarding ongoing issues across the supply chain as well as poorly investing in external collaboration tools could have dire consequences. The reality is that supply chain and collaboration challenges could have a ripple effect. It won't matter how much you invest in internal efficiencies if core external challenges across the supply chain are not addressed simultaneously. ”

Paulo de Matos, Chief Product Officer, SYSPRO





02

Does your digital strategy align to execution?

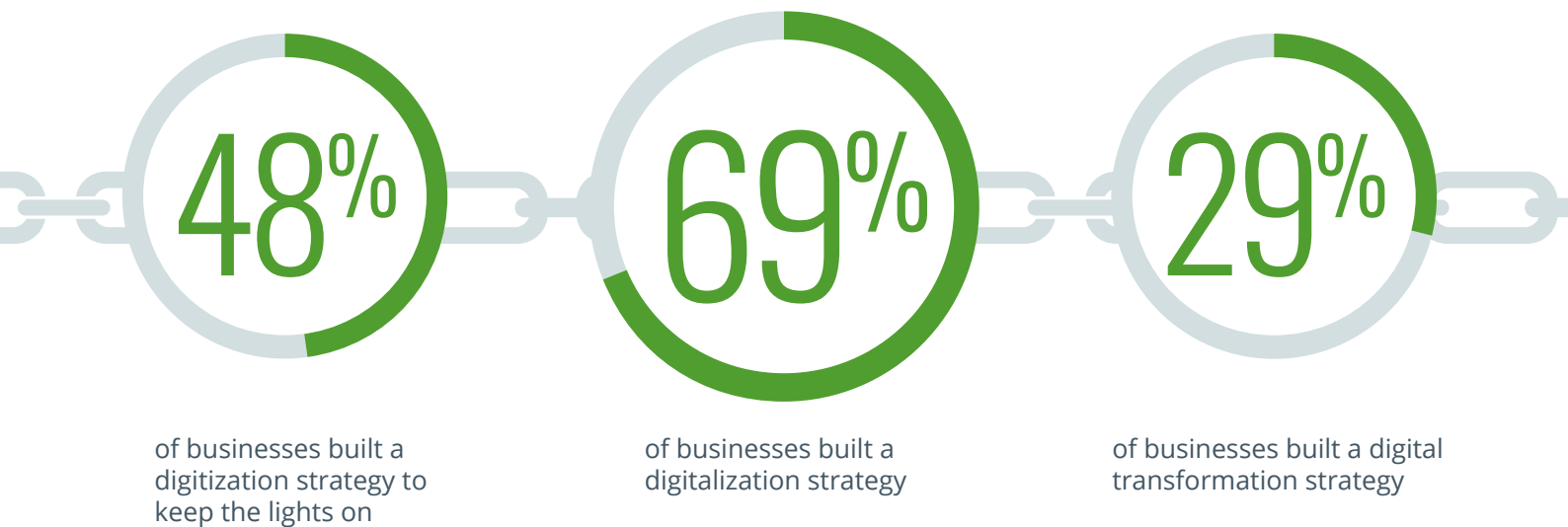
The pandemic motivated businesses to create a digital strategy

As businesses began to realize that the shift created by ongoing disruptions was long-lasting and innumerable, many geared up for digital transformation. In [SYSPRO's 2020 survey](#) the Inflection Point for the Factory of the Future, **67%** of businesses indicated that they could trade effectively during the pandemic due to digital initiatives such as eCommerce, digital supply chains and remote working.

The 2022 survey explored the extent to which the industry committed to the digital transformation pledge and what aspects of digital transformation were included in their digital roadmap.

Defining a digital destiny

2022 findings show that:



Digitization

noun : the conversion of text, pictures, or sound into a digital form that can be processed by a computer.

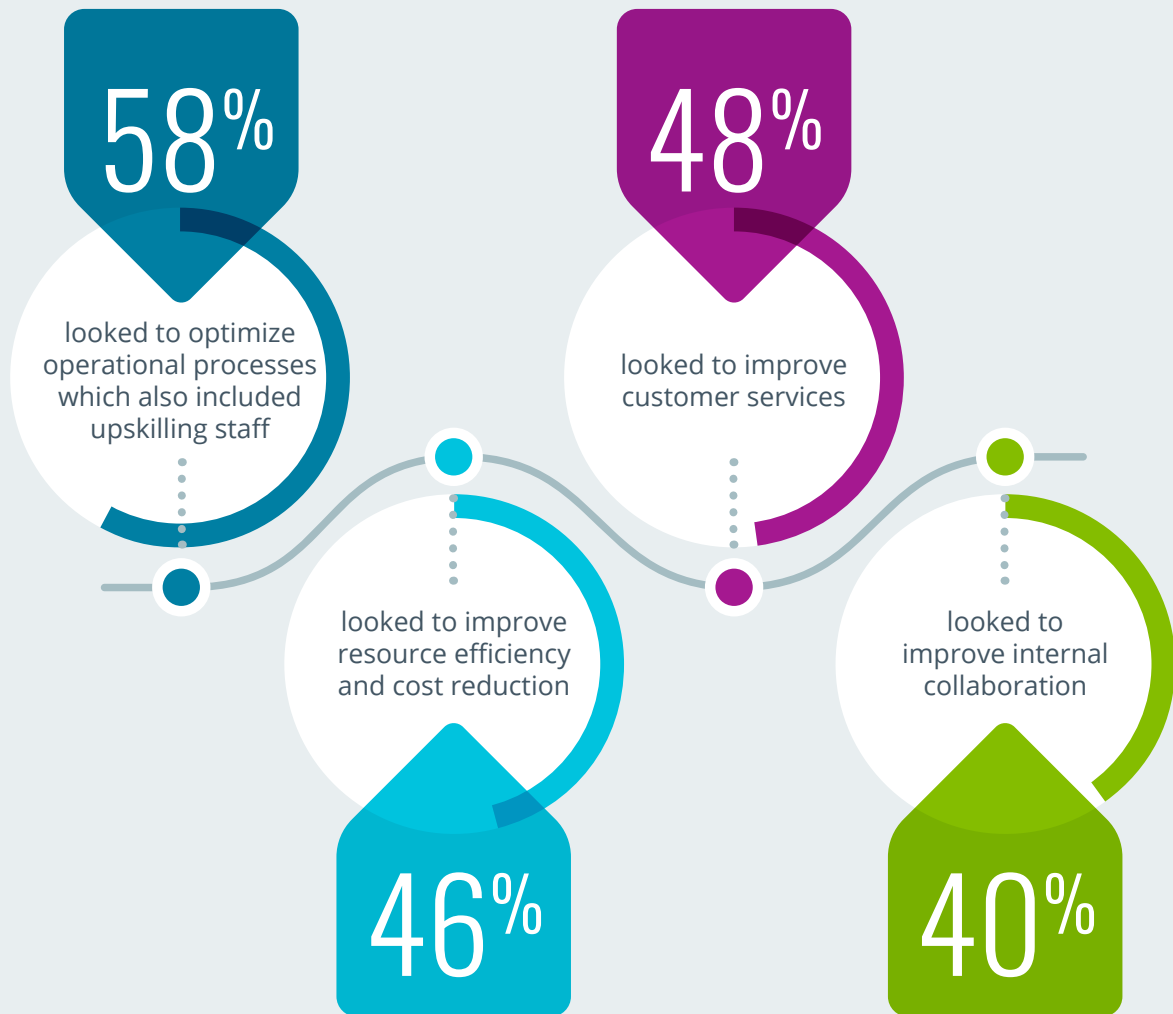
Digitalization

noun : The conversion business processes over to use digital technologies, instead of analogue or manual systems such as paper.

Digital Transformation

noun : Digital transformation is all about the re-imagining of business in the digital age. It's about using digital technologies to create new – or modify existing – business processes, adjust culture and customer experiences to meet changing business and market requirements.

What did businesses include in their Digital Roadmap?



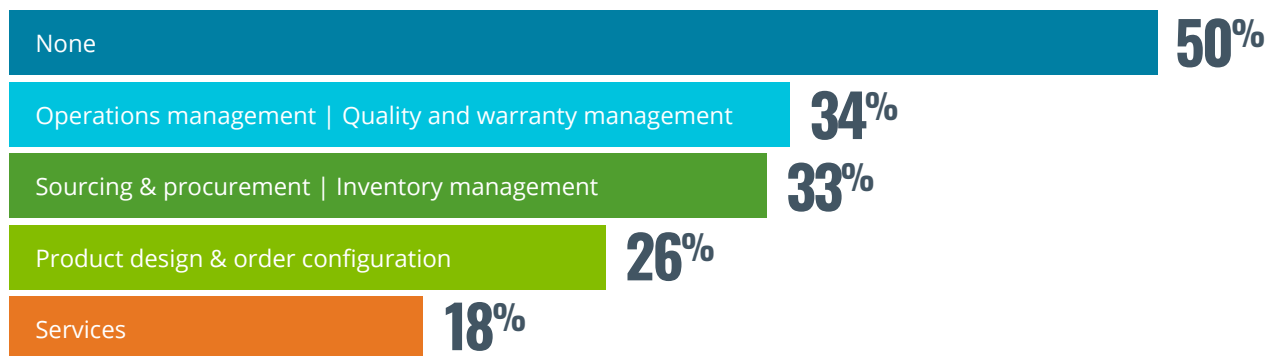
Once again, a large strategic focus is placed on the improvement of internal operations. Despite supply chain disruptions that started long before the Covid-19 pandemic and despite a commitment to improve customer services, only **23%** of businesses looked at increasing external collaboration with suppliers and customers as a part of their digital transformation strategy.

“ The findings suggest that many businesses did not set up a solid foundation in their digital strategy by jumping straight to digitalization or digital transformation. At the same time, many businesses feel that digital transformation is unnecessary as the way they have manufactured products has not changed in years.

Roger Landman, Head of Product Management, SYSPRO ”

Comparing digital strategies to digital execution

Key technology investments



To execute on their digital strategies, businesses made a number of technology investments.

34%



33%



26%



Although almost half of businesses placed the improvement of customer services as a top priority in their digital roadmap, only **18%** of businesses invested in business systems to improve external collaboration. More concerning is the statistic that **50%** of businesses chose to not invest in any systems at all. They relied on current systems to **keep the lights on**.

This suggests a clear disconnect between the digital roadmap and execution. Without addressing the challenges around external collaboration, businesses face the **real risk of ongoing or more extensive supply chain disruptions**.

Exploring the barriers to digital transformation

The study found three key barriers to digital transformation:

1

Reliance on fleeting service advisors instead of long-term trusted advisors

To implement their digital strategy, **71%** of businesses engaged with outsourced external service providers with no real understanding of core business challenges or everyday reality of what was affecting the business. As a result, the digital strategy does not align to digital execution. It is therefore vital for businesses to make and manage their own digital roadmap. Owning that process is important. Instead of reliance on a service provider, businesses should partner with a trusted advisor that can provide advice along the entire digital journey so that digital strategy meets digital execution.

Lack of top management support

The digital transformation journey is time consuming and requires top management sponsorship in order to succeed. The study showed that the true champions of digital transformation within businesses was middle management (**60%**), while only **44%** of C-level management supports digital transformation. Top leadership support is imperative for businesses to digitally transform.

2



3

The skills gap remains

The study showed that while **38%** of businesses upskilled staff to use business systems to their full extent to drive effective and efficient business operations in the face of disruption, **61%** of businesses had no intention of building long terms skills training programs to enable a digital workforce. Manufacturers and distributors are simply not engaging with the new workforce yet the new workforce is digitally savvy and could assist the business to transform.



03

Does your supply chain compete on a global level?

How competitive is your technology stack?

Technology selection played a pivotal role in the execution of a digital roadmap. When asked about key technology investments, **47%** of businesses had invested in sensors, IoT or IIoT.

While these sensors are collecting data, **only 20%** of businesses invested in data analytics tools to process and analyze the data and **only 5%** of businesses had looked into AI and ML to draw any long-term benefit from the data collection. In a data-first world, investment in technologies is irrelevant without data analytics to understand the internal and external factors impacting on a business.

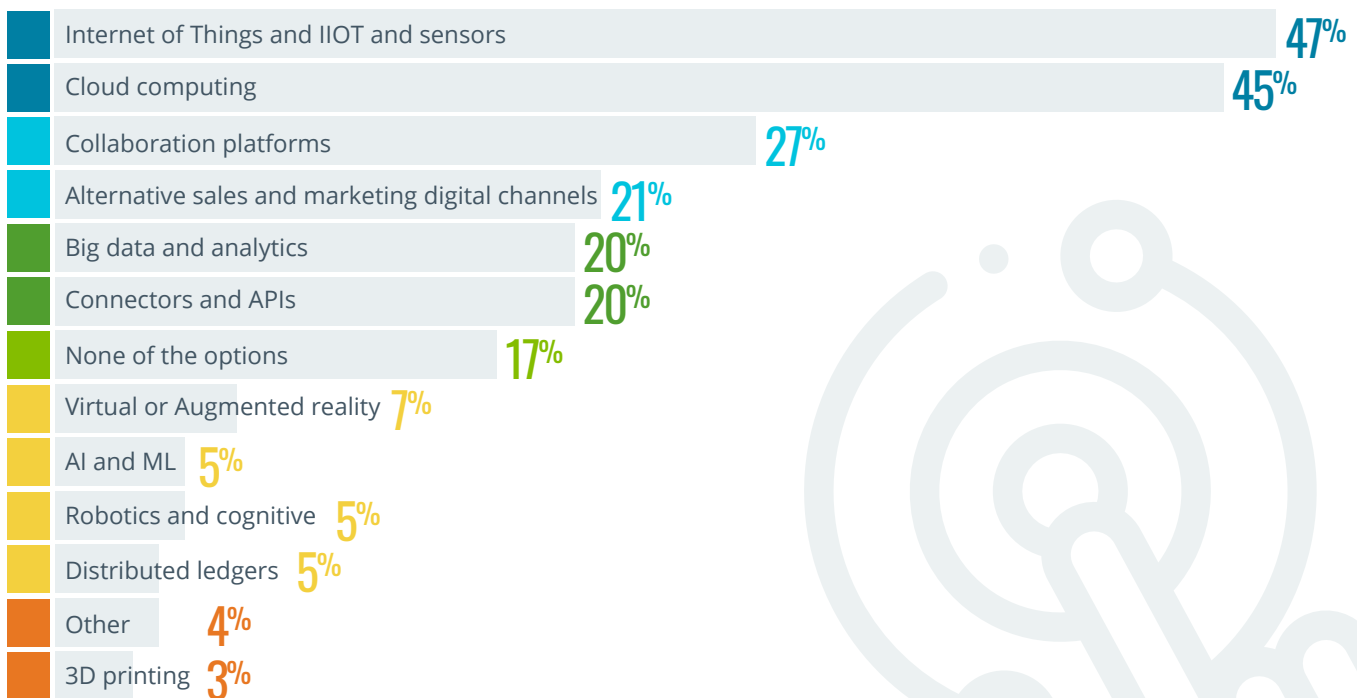
Without the right data insights in hand we are witnessing a situation where businesses are just competing with businesses. For the industry leaders, the approach is that supply chain must compete with supply chain to maintain competitive advantage. We are not seeing this here. In other words, just selling a product is no longer good enough to survive in the long term. Success now depends on incorporating the external market into your business to be able to deliver the best products at the best price.

Without data insights, manufacturers and distributors will struggle to compete on a global level.

“ We understand that some industries are much slower at adopting new technologies than others. Similarly, when businesses are plotted on the Adoption Curve (Everett Rogers), there are some businesses that get in early and some that never get in altogether. The issue here is that the “Innovators” and “Early Adopters” may be pulling away from the rest of the industry. As a player in the industry, understand where you are as a business and plot your strategy carefully to remain competitive.

Roger Landman, Head of Product Management at SYSPRO

Key technology investments





04

Is your customer at the centre of your business model?

Building on the customer experience journey

When exploring the benefits of the digital transformation shift and investment in digital technologies, **49%** of businesses had improved cost efficiency, while **35%** of businesses improved employee engagement and **31%** of businesses improved product quality.

But with limited success only **22%** experienced revenue growth and only **26%** of businesses achieved customer satisfaction.

It goes without saying that while businesses needed to overcome supply chain disruptions and additionally improve customer experience, the outcomes of any digital initiatives or technology tell a very different story. While internal processes were improved, only half of those businesses experiencing revenue growth and customer satisfaction. The first obvious question is whether the investment was in the correct areas of the business. And how is it being measured?

The benefits of digital transformation

2022 findings show that:



“ The customer experience can make or break a business. While businesses improved operational visibility through technological investments such as IoT or even looked into alternative eCommerce sales channels, the reality is that ongoing and real-time external collaboration with suppliers and customers is vital. A balance along the supply chain can be achieved when a customer is placed at the centre of the supply chain, and their experience is not regarded as an afterthought. Improved revenue will soon follow.

Paulo de Matos, Chief Product Officer

Will the factory of the future be more collaborative?

Where will future digital transformation investments lie?

According to the study, **66%** of businesses plan to continue to improve operational processes, **54%** of businesses plan to improve resource efficiencies and **52%** of businesses plan to improve customer services. Future focus still remains on internal efficiencies, which is vital for business growth.

The concern however is that only **27%** of businesses plan to increase external collaboration over the next 12 months.

Without improved collaboration, businesses will be less able to respond to further disruptions in the supply chain. This obviously only applies to businesses running an extended supply chain with procurement extending between different countries and continents. Real time information is required for such a business model, and this can only be successfully achieved with digital communication and collaboration.

In order for manufacturers and distributors to be future-ready, they should be looking to implement digital changes to their enterprise on two dimensions

The customer experience Operational efficiency

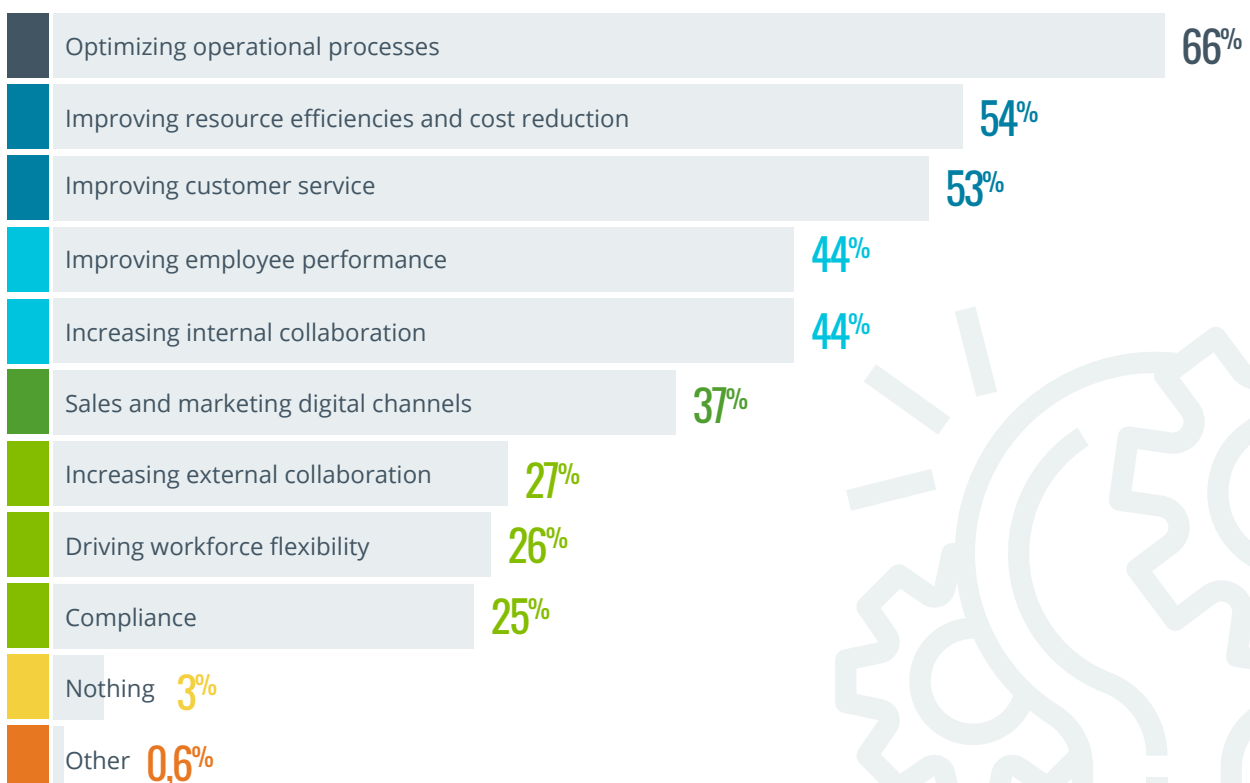


Balance is key. Improving the customer experience will require better control by the business over all of its processes. Businesses should therefore consider improved connectedness with external stakeholders to ensure real time information for ongoing business decisions.

When applying the technology lens, businesses should also consider applying the emerging and innovative technologies to solve historical inefficiencies in their businesses.

Improved business performance will require improved collaboration with all stakeholders. This is a well-known business quote, but has been very difficult to achieve as the tools have not been available previously. The digital transformation does now make a number of these tools available to any business, making improved collaboration much easier for all businesses.

Digital transformation plans over the next 12 months



Unpacking vertical areas of impact, investment and insight



Automotive Parts & Accessories

By nature, the Automotive Parts & Accessories sector has strict delivery schedules and high-quality standards. With production taking place in small batches, and high-quality expectations, the study showed that the biggest area of disruption for this industry has been supply chain and material handling disruptions at **83%**, followed by engagement with customers and suppliers at **58%**. This can be largely contributed to the fact that a large portion of automotive parts are derived from the far east. The automotive industry also places a large focus on after-sales services and yet only **17%** of businesses had technologies to assist in improving service management and only **8%** had technologies to assist with improving operations management.

Building a digital roadmap

To address these ongoing disruptions, **42%** of the industry had looked at building a Digital Roadmap based on a foundational digitization strategy while another **42%** were focusing on digitalization.

75% of industry respondents planned to invest in technologies to optimize operational processes

42% of industry respondents wish to improve workforce flexibility

International disruptions, such as the global microchip shortage, also means that this sector may be considering the benefits of near-shoring as a long-term solution as well as technological solutions to provide sufficient visibility along the global supply chain.

Key technology investments

42%

investment in alternative sales and marketing channels such as eCommerce

41%

investment in IoT and IIoT

25%

investment in big data and analytics

8%

investment in collaboration technologies

Will **42%** of Automotive Parts & Accessories businesses realize their goal for improved workforce flexibility when there has only been an **8%** investment in collaboration technologies?



Food & Beverage

Over the course of the ongoing pandemic, the Food & Beverage industry has been largely impacted by the changes in the consumer demand cycle and the lack of availability of raw materials to respond to these changes. The sector is known to have a limited shelf-life and the evidence could be seen in how many shelves were empty due to panic buying at the start of the pandemic.

Predictable seasonal changes could no longer be reliably considered and the sector had to consider new consumer demands. It therefore comes as no surprise that the biggest area of impact for this sector during the pandemic, was engagements with customers and suppliers at **77%**. Due to the fact that this sector also needed to consider new Pandemic-related hygiene requirements and the knock-on effect of supply chain disruptions, **45%** of businesses experienced major internal operations disruptions. When deep diving into business system support, only **16%** of F&B manufacturers and distributors had systems to support sourcing and procurement, which could explain the empty shelves. Going hand-in-hand with that finding, only **26%** of businesses had tools to assist with order configuration and the ability to respond swiftly to changing consumer needs.

Building a digital roadmap

A large majority of the Food & Beverage industry (**80%**) started to explore a digitalization strategy in response to ongoing disruptions.

65% of businesses looked to improve operational processes

48% of businesses aimed to improve customer services

48% of businesses aimed to aid the remote workforce

Key technology investments

65%

of businesses invested in IoT or IIoT

55%

of businesses invested in cloud computing to aid the remote workforce and further engage with customers. This was aligned with their digitalization strategy.

Established in 1860, Ruprecht is a value-added food solutions company focused on ready-to-eat and ready-to-cook protein products that serve domestic and international customers in the foodservice and retail sectors. SYSPRO has made it easier for Ruprecht to tackle market disruptions effectively. The company's stable source of supply and ability to maintain healthy inventory levels helps it weather disruptions in both product availability and price. This in turn enables Ruprecht to assist its customers through these challenges. "This is where the Artificial Intelligence (AI) solution is so important," Frank Patton, CFO of Ruprecht says. "It's taught us to focus on developing a predictive model to guide us on the decision-making process so that we can set ourselves up for success in the future."

Cloud is a positive step in the right direction to enable further collaboration with customers and suppliers. Data analytics is still an area of improvement however, with only **23%** of F&B businesses investing in Big Data and analytics tools. Without real-time data, will the industry be able to respond to ongoing changes in the cycle demand?



Industrial Machinery & Equipment

The Industrial Machinery & Equipment sector completes large contract orders and often buys raw materials in bulk, which is stored for future use. Some businesses in this sector also prefer local suppliers while others may import parts from China. These factors meant that survey respondents felt minimal impact around internal operations **-(20%)**

A lot of the stock for this sector has to however be customized, which requires face-to-face, human contact. With global lockdowns and the rise of the remote workforce, **77%** of businesses experienced engagements with customers as the biggest areas of disruption. It is therefore not surprising that only **20%** of IM&E businesses had business systems to support customer services at the outset of the Pandemic and only **30%** of businesses have tools to support order configuration and product design.

Building a digital roadmap

To address these needs, **65%** of IM&E built a digitalization roadmap and **47%** built a foundational digitization roadmap.

55% of businesses looked at improving internal collaboration.

Despite the minimal impact around internal operations, **50%** of businesses have looked at improving internal efficiencies and only 20% has selected systems to improve external collaboration efforts.

Key technology investments

40%

of businesses have looked at investing in cloud and collaboration platforms to aid the remote workforce, although the industry is not necessarily highly automated

Established in 1951, Merritt Trailers, Inc. and sister company Merritt Aluminum Products manufacture market-leading livestock and commodity trailers as well as aluminum parts and accessories for the trailer/trucking industry. With the aim of distributing products through digital channels, Merritt will make the shift to place its products on an e-commerce site with a built-in configurator. This will reduce costs and take Merritt's business model regarding customized services to the next level by giving customers the opportunity to configure their own products online.

Product configurators and new routes to market through eCommerce platforms will enable the IM&E sector to thrive through ongoing disruptions. Yet only **20%** of the industry are looking into APIs and connectors as a technology investment.



Plastics and Rubber

The Plastics and Rubber industry is largely automated and reliant on custom-made products, making use of fixed formulas. If one ingredient is missing within a formula, then there is a problem. With that in mind, **75%** of businesses still experienced supply chain disruptions due to challenges around the sourcing of ingredient and a variety of additives from other countries.

The industry is also dependent on an on-premise workforce due to the customization requirement and manual production, and for that reason, **50%** of businesses found that the remote workforce was their biggest area of disruption throughout the pandemic.

Demand also changed during the Pandemic. Tyres, for example, were less in demand because nobody was driving to work anymore. Despite this, the industry is one of the least digitally transformed verticals, with business systems only supporting **17%** of businesses in inventory management, and 8% of businesses in sourcing and procurement.

Building a digital roadmap

Despite the Plastics and Rubber industry being the least digitally transformed of the verticals that responded to the survey, **75%** of businesses had started with a digitalization strategy.

Key technology investments

The industry saw insufficient Investment in technology as a solution to the aforementioned challenges.

25%

of businesses looked into the investment of collaboration tools

17%

invested in Cloud Computing

8%

of businesses invested in IoT and Big Data analytics and no respondents indicated an interest in AI or ML

The industry tried to address remote workforce requirements with cloud and collaboration tools. More focus on the benefits of real-time data will go a long way in resolving ongoing supply chain disruptions.



Fabricated Metals

The Fabricated Metals industry is hands-on in its approach and often products are made-to-order to specific customer demands. The industry is therefore reliant on bringing in specific raw materials and unsurprisingly, **82%** of businesses experienced supply chain and material handling disruptions. Ongoing supply chain disruptions, and challenges with raw materials resulted in a knock-on effect and challenges across internal operations. In fact, **47%** of businesses experienced internal operations disruptions. Business systems also failed to support this industry during the ongoing pandemic where only **12%** of businesses were supported with sourcing and procurement and only **12%** of businesses were supported in servicing external customers. The support in make-to-order requirements was also a challenge. Only **18%** of business had systems to help with product design and order configuration.

Building a digital roadmap

65% of businesses in the Fabricated Metals industry looked into building a Digitalization strategy to address ongoing supply chain disruptions and internal operations interruptions.

59% of those businesses aimed to improve operational efficiencies – including improvements in sourcing and procurement

Only **18%** of the fabricated metals industry aimed to improve external collaboration

Key technology investments

41%

of respondents in this vertical invested in IoT

12%

looked at data analytics to interpret the data and identify any real-time shifts

While the industry has looked at tools to address the biggest area of impact – internal operations, external collaboration is still lacking. Without clear visibility into suppliers, demand and inventory, internal disruptions may never be fully resolved.



Packaging

The packaging industry has a long- shelf life and because it centers on batch processing, the industry can buy materials in bulk and holds a large amount of stock over a longer period of time. The industry also may have experienced a dip in demand of certain types of packaging due to the hard lockdowns, the increase in home deliveries during lockdown increased demand for other types of packaging. The whole supply chain had to pivot on short notice.

The findings of the study show that the internal operations were therefore relatively stable. Only **10%** of businesses experienced disruptions in standard processes and only **10%** of businesses were impacted by the need to work remotely. The biggest areas of disruption for this vertical was supply chain disruptions at **60%** with only **10%** of businesses being supported with systems for sourcing and procurement for those enterprises with no stock waiting in the wings of the warehouse.

Building a digital roadmap

The packaging industry is the most digitally transformed of the verticals. When building a digital roadmap, **60%** focused on digitalization and **50%** of businesses looked at digital transformation.

Within the roadmap, **50%** of the industry aimed to introduce technologies to enable the remote workforce.

Key technology investments

To execute on their digital strategy:

60%

invested In IoT for real-time tracking and monitoring to execute their digital strategy

20%

of businesses in the Packaging industry focused on alternative sales and marketing channels to address ongoing supply chain disruptions

With increased efforts centered around digital transformation, the packaging industry can continue to focus on industry requirements around sustainability and can enable a more remote workforce.



Electronics

When looking at the nature of the electronics industry, many players rely on production lines or assembly lines. A lot of the components are imported from Asia, and many industries are reliant on semi-conductors to operate effectively.

Over the past few years, **56%** of electronics businesses experienced supply chain and material handling disruptions. As a fast-moving industry, the electronics sector has also already invested in business systems to overcome some of the major disruptions. As a result, only **33%** of businesses dealt with operations management, quality management and scheduling challenges and only **33%** of businesses had challenges around inventory management.

A lot of the parts come from the far east and the industry is also servitized – in other words they provide an after-sales service arm. Unfortunately, **44%** of businesses did not have the digital tools in place to manage services sufficiently.

Building a digital roadmap

To improve challenges around supply chain and material handling disruptions, **67%** of businesses focused on building a foundational digitization roadmap.

To resolve ongoing issues, the electronics industry aimed to balance internal resourcing needs with external collaboration.

Within the digital roadmap, **89%** of businesses within the electronics industry aimed to improve resource efficiency to optimize costs and **78%** aimed to improve workforce flexibility.

To address supply chain and material handling disruptions, **56%** of businesses aimed to improve external collaboration.

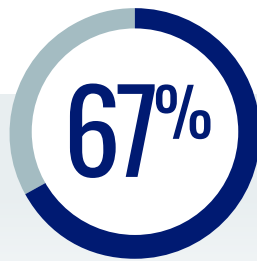
A further **67%** pledged to improve customer service.

Key technology investments

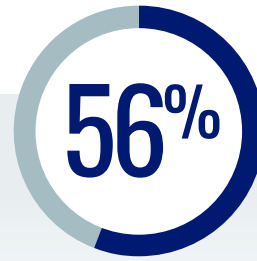
The electronics industry executed the goal to improve workforce flexibility well, with



of businesses investing in Cloud Computing



of the industry investing in collaboration tools




invested in Big Data analytics to stay on top of ongoing market shifts

Data-driven electronics manufacturing will ensure the improvement of performance and quality assurance, predictive maintenance, accurate forecasting, and improve Supply chain relations


How do manufacturers and distributors realign their supply chain?

Some fundamental changes are required if balance across the supply chain to be restored. It will be key to establish a robust, carefully executed digital roadmap and it will require increased agility, improved communication and investments in internal and external systems.



This will require industry-built technology solutions that will deliver industry specific functionality for manufacturers and distributors. Organizations should be investing in systems that monitor:

- Forecasting accuracy – this will improve the manufacturing capacity, warehousing, and delivery processes, etc.,
- Planning and Scheduling – to meet the forecasted demand, balance capacity in the factory and plan labor and resources (including MRP),
- Warehouse Management – which includes dispatch and inventory management, and as well as to reduce excess stocking,
- Financial Management – which will balance cash flows and account management.



To address external collaboration needs, some further areas worthy of consideration is the integration of the various platforms to ensure that the digital transformation is organization wide, and ultimately across the whole supply chain. Some examples are:

- the integration of specialist third party software, like the advanced quality control systems to drive better operational efficiencies.
- artificial intelligence and machine learning to analyze data which will help businesses to identify trends and even identify anomalies and mitigate risks.



The role of ERP in building the factory of the future

At the heart of a manufacturing and distribution business is an Enterprise Resource Planning (ERP) system. It provides a platform of integration for all of the different systems, providing the solutions, processes and tools to assist in the management of data for key business insights and informed decision making.

There are a number of existing technology solutions that integrate with an ERP platform that provides a business with the capabilities to control, react, survive and thrive during disruptions of this nature, and these are:

MOM (Manufacturing Operations Management)

One area that the modern manufacturing organization must definitely consider is an integrated MOM (Manufacturing Operations Management) System which integrates the digitalization of the shop floor and the management system.

MOM systems offer the following capabilities:

- Optimized shop floor data collection by connecting people, machines and other devices to digitize the factory (Industry 4.0), promoting real-time analytics and automation
- Productivity Analysis. Manufacturers can measure production performance to drive toward world class standards of operation for overall equipment and labor effectiveness
- Advanced planning and scheduling, allowing businesses to plan resources and constraints, allowing them to react quickly to changes in plans and schedules as well as make best use of available resources

MRP (Material Requirements Planning)

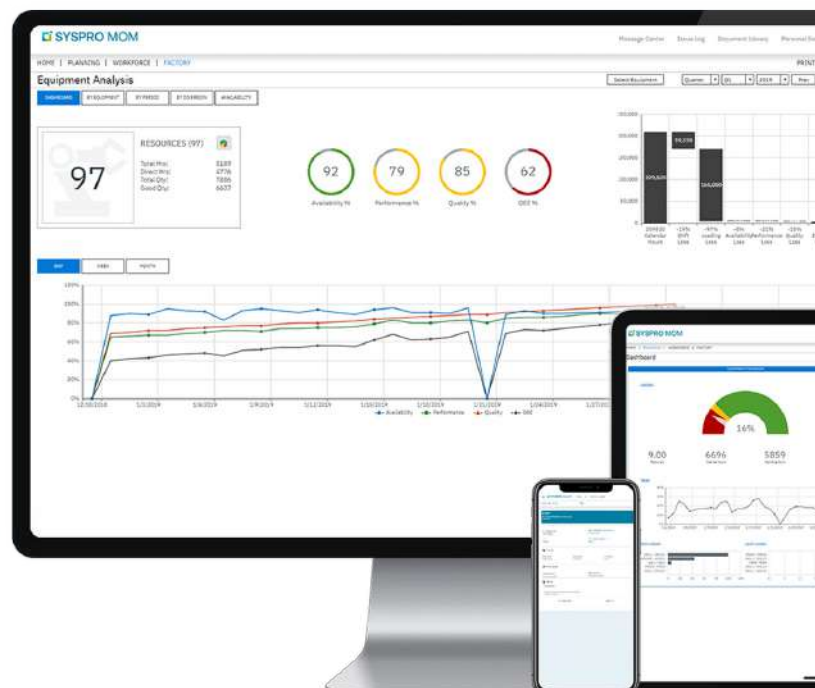
Assists manufacturers and distributors to automate the process of managing the balance between material supply, product and service demand, allowing them to optimize the ordering processes and take advantage of batching and realizing economies of scale. This ultimately results improving profitability & cashflow which is critical to any business.

Supply Chain Portals

A Supply Chain Portal is an interactive web platform that facilitates online transactions between an enterprise, its suppliers and customers. The Supply Chain Portal streamlines collaboration between buyers and suppliers and minimizes document handling – reducing potential fraud. It automates business processes and ensures transparency of supplier and customer transactions

Inventory Forecasting & Optimization

Having a systematic and automated process to predict and control stock levels, based on desired customer service levels, is key to reacting quickly to satisfying the right orders for the right customers, to retain strategic contracts and ensure survival of key account relationships.



Conclusion

Now more than ever, for organizations to remain relevant, and to thrive in the future, they need to roll up their sleeves and tackle the digital transformation challenge head-on so they can create real-world impact and take manufacturing and distribution to the next level. Benefits of transforming digitally will be far-reaching. This includes the ability to innovate rapidly, the ability to offer a shorter time to market and a capability to prevent wastage by storing less inventory. Long term results include more efficient supply chains and higher capital efficiency.

To achieve optimal results, the key will be to set up a digital roadmap that takes into consideration both operational efficiencies and external collaboration. For supply chains to compete against supply chains, industry players need to have full visibility into their operations with real-time data analytics. Without the roadmap, businesses cannot plan or budget for the process.

Businesses should ideally consider a digitization followed by a digitalization strategy that will set the path to building a digital business. Of course, the key to successful digital transformation is aligning these initiatives to core business objectives.

The path to digital transformation is a unique journey for your business based upon unique industry challenges and the set of constraints that you have within the business. Each step of the transformation will be unique to achieve specific goals while making digital changes to processes, operations, business models and strategies. Prepare and plan carefully, investigate each new technology carefully, understanding what it would do for your transformation.

The good news is that you can use ERP to support your overall digital strategy. The key is to ensure that it is future-fit, industry built and can be deployed in the cloud, on-premise, or a hybrid deployed, and can be accessed via browser on any device.

Learn More about SYSPRO ERP at [SYSPRO.com](https://www.syspro.com) and how you can reconnect the links of the broken supply chain.

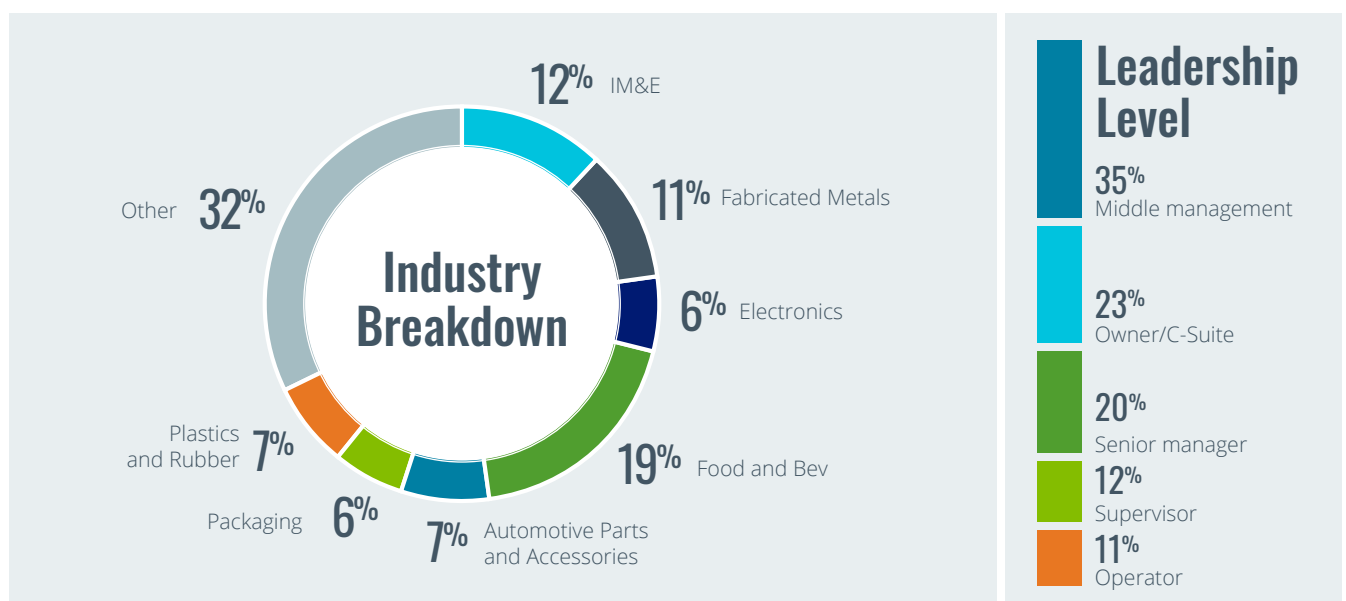
Research methodology

In order to understand how manufacturers and distributors responded to ongoing supply chain disruptions, whether digital transformation was a suitable solution, as well as how far the industry has come on their digital transformation journey, an online survey was shared with industry professionals of different managerial levels within each of our key regions. This included the United States, Canada, EMEA and APAC.

When conducting the survey, SYSPRO included multiple perspectives from key manufacturing and distributor sectors. Respondents also ranged across top tier leadership levels and across a multitude of departments.

In total, **163** responses were received from top tier decision-makers

23% of respondents were at an ownership/C-Suite level and **35%** were middle managers





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